



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
www.mass.gov/masshealth



Eligibility Operations Memo 04-07
May 15, 2004

TO: MassHealth Eligibility Operations Staff

FROM: Russ Kulp, Deputy Director, MassHealth Operations

RE: **Changes to MassHealth Copayments**

Introduction

Effective February 1, 2004, MassHealth changed the pharmacy copayment amount from \$2 for all drugs, to \$1 for generic drugs and nonlegend (over-the-counter) drugs, and \$3 for all other drugs. Also effective February 1, 2004, MassHealth established a nonpharmacy copayment of \$3 for nonpsychiatric acute inpatient hospital stays. This copayment is in addition to the existing MassHealth hospital copayment of \$3 for nonemergency use of a hospital emergency department. (Note that members enrolled through MassHealth in Neighborhood Health Plan, BMC HealthNet Plan, Network Health, or Fallon are excluded from the nonpsychiatric acute inpatient hospital and emergency department copayments.)

In addition, MassHealth has established calendar-year copayment caps of \$200 for pharmacy services and \$36 for nonpharmacy services. These caps are the maximum amounts that a member can be charged in copayments within a calendar year. Since this new policy is effective February 1, 2004, MassHealth has adjusted these caps for calendar year 2004 to \$184 for pharmacy services and \$33 for nonpharmacy services.

Individuals Excluded from the MassHealth Copayment Requirement

The following individuals are not subject to the copayment requirement:

- members under 19 years of age;
- members who are pregnant or in the postpartum period that extends through the last day of the second calendar month following the month in which their pregnancy ends (for example, if the woman gave birth May 15, she is exempt from the copayment requirement until August 1);
- MassHealth Limited members;
- MassHealth Senior Buy-In members or MassHealth Standard members for Medicare-covered drugs only, when provided by a Medicare-certified provider;

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**Individuals
Excluded from
the MassHealth
Copayment
Requirement
(cont.)**

- members who are inpatients in nursing facilities, chronic-disease or rehabilitation hospitals, or intermediate-care facilities for the mentally retarded, or who are admitted to a hospital from such a facility;
- members receiving hospice services; and
- persons receiving medical services through the Emergency Aid to the Elderly, Disabled and Children Program pursuant to 130 CMR 450.106, if they do not receive MassHealth Basic, MassHealth Essential, or MassHealth Standard.

**Additional
Exclusions for
MassHealth
Copayment for
Pharmacy Services**

There is no MassHealth pharmacy copayment for:

- family-planning services and supplies;
- members who have reached their pharmacy copayment cap—meaning those members who pay and/or incur charges for MassHealth pharmacy copayments totaling \$184 in calendar year 2004 (\$200 in succeeding years);
- members who are inpatients in hospitals (There is no separate pharmacy copayment for pharmacy services provided as part of the hospital stay.); and
- emergency services.

**Additional
Exclusions for
Nonpharmacy
Services**

There is no MassHealth nonpharmacy copayment for:

- family-planning services and supplies;
- hospital services provided to members who have other comprehensive medical insurance, including Medicare;
- members who have reached their nonpharmacy copayment cap—meaning those members who pay and/or incur charges for MassHealth nonpharmacy copayments totaling \$33 in calendar year 2004 (or \$36 in succeeding calendar years);
- mental health and substance abuse-related services; and
- emergency services.

**Collecting
Copayments from
the Member**

Providers will give members who pay a copayment a receipt. If a copayment is due, but the member does not pay it at the time of service, the member remains responsible for the copayment, and the provider may bill the member for the copayment. However, providers may not refuse to provide a covered service to a MassHealth member who is unable to pay the copayment at the time of service.

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**Copayment Cap
Letter**

When a member reaches either copayment cap for the calendar year, MassHealth sends the member a letter stating that the pharmacy and/or nonpharmacy copayment cap has been met for that calendar year. If the member is enrolled through MassHealth with Neighborhood Health Plan, BMC HealthNet Plan, Network Health, or Fallon, the member's health plan sends the letter to the member. The member may use this letter as proof of having met the copayment cap for that calendar year. When a member presents the letter to the provider, the provider will not charge the member a copayment for applicable service (pharmacy or nonpharmacy). This letter does not exempt a member from being charged a copayment in a subsequent calendar year.

**Self-Declaration
of Exclusion from
Copayment
Requirement**

MassHealth will not always know right away if a member has met his or her copayment cap. If a member thinks that the yearly copayment cap has been met, the member may send MassHealth copies of receipts showing how much the member has paid in copayments for the calendar year. (Members should keep the original receipts for their own records.) Once MassHealth has reviewed the copies of the receipts and verified that the copayment cap has been met, MassHealth will send the member a letter stating that the cap has been met.

Members enrolled through MassHealth in Neighborhood Health Plan, BMC HealthNet Plan, Network Health, or Fallon have the same process for sending copies of pharmacy copayment receipts to their health plan. Members in one of these health plans should send copies of the receipts to the appropriate address provided by their health plan. Once the health plan has reviewed the receipts and verified that the pharmacy copayment cap has been met, the health plan will send the member a letter stating that the cap has been met.

Members who are not enrolled in one of the four health plans listed above should send copies of the receipts to the following address.

MassHealth
Attn: CARE Coordinator
600 Washington Street
Boston, MA 02111

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**Special Rules for
Members Enrolled
in a MassHealth
Health Plan**

MassHealth members enrolled with a health plan through MassHealth must make copayments in accordance with the MassHealth copayment policy. The copayments required by the member's health plan exclude the same persons and services as the fee-for-service MassHealth copayment requirements, and cannot exceed the amounts charged to Primary Care Clinician (PCC) and fee-for-service MassHealth members.

Questions

If you have any questions about this policy, please have your MEC designee contact the Policy Hotline at 617-210-5331.
